

SECTION 8 PROPERTY MANAGEMENT

8.1. PROPERTY MANAGEMENT – GENERAL

LRS 48:221

LRS 48:224,

EDSM I.1.1.10

Residual Property (Uneconomic Remainder/UR Parcel)

Excess Right of Way

Excess Property

Adversely Impacted Property

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SECTION 8.1. PROPERTY MANAGEMENT – GENERAL

The Property Management Unit of the Real Estate Section is responsible for inventory and disposal of property owned by DOTD other than rights of way. Disposal is accomplished in accordance with [LRS 48:221](#) and [LRS 48:224](#), as well as [EDSM I.1.1.10](#) and [EDSM I.1.1.19](#). Other related processes handled by the Property Management Unit include land leases, mineral leases, Special Use Permits and the handling of certain improvements (see [Section 8.4](#)).

POLICY:

1. Properties other than rights of way are inventoried by the Property Management Unit and consist of 3 types:
 - a. **Residual Property (Uneconomic Remainder/UR Parcel):** The remainder of an owner's property purchased in addition to the required right of way due to the remainder being uneconomic if kept by the owner.
 - b. **Excess Right of Way:** Property acquired or used by the Department as right of way, and later declared excess (not needed for the project or road).
 - c. **Excess Property:** Real estate owned by the Department, excluding properties purchased as required right of way, and no longer needed for the purpose for which it was purchased (such as maintenance units, radio tower sites, etc.).
 - d. **Adversely Impacted Properties:** Improvements acquired because they are determined by the Real Estate Administrator to suffer severe negative impacts as a result of the taking. Such improvements may be acquired with or without the associated land, and are only acquired amicably.
2. Disposal of property owned by the Department in full ownership will be accomplished in accordance with [LRS 48:221](#). The law provides for the disposal of property not needed for departmental purposes, at the discretion of the Secretary:

a. At private sale to:

- i. the vendor who sold to the Department for the greater of original cost to the Department or present appraised market value; or
- ii. said vendor's successors in title (interpreted as heirs or assigns) for present appraised market value. (Surviving spouse is heir if land was part of the community property. If separate property, spouse is not an heir unless he/she was willed remaining property that was a part of the property sold to the Department); or
- iii. the owner of the land whose property or any portion thereof is separated from a highway by such excess area, for present appraised market value.

b. At public sale to the highest bidder.

c. By donation to the adjacent landowner or landowners.

NOTE: The Legal Division advises that this part of the law is contrary to the LA Constitution, Article 7, Section 14(A). We will therefore not utilize this provision of LRS 48:221 in our disposal process.

d. Paragraph C of [LRS 48:221](#) provides that property expropriated by the Department and not used for departmental purposes within 15 years of the date of expropriation shall be declared as excess by the Secretary and disposed of as provided for above, except that the cost to the original vendor or successors in title will be for the lesser of original cost to the department or appraised market value. This paragraph will be interpreted and administered by the Real Estate Section as follows:

- i. The provision will apply only to properties acquired after June 27, 1993, the effective date of Act No. 1028 of 1993.
- ii. The provision will apply only to properties that were expropriated and not to those acquired

amicably insofar as determination of price at private sale. However, where properties are not used for Departmental purposes in 15 years, they may be declared excess regardless of the method of acquisition.

3. Disposal of sections of the State Highway System which the Secretary determines should be abandoned (removed from the State Highway System), will be accomplished in accordance with [LRS 48:224](#).
 - a. The law provides for abandonment of property owned by the Department in full ownership by the following:
 - i. Transfer to a local governing authority who is willing to accept and maintain the roadway;
 - ii. Private sale to the original vendor for the greater of original cost or present appraised market value;
 - iii. Private sale to the original vendor's successors for present appraised value.
 - iv. Public bid
 - v. Abandonment by:
 - 1) providing proper legal notice
 - 2) recordation of the declaration of abandonment
 - 3) posting of adequate signs
 - b. The law provides for abandonment of property where the Department has only a servitude by the following:
 - i. Transfer to a local governing authority who is willing to accept and maintain the roadway;
 - ii. Abandonment by:
 - 1) providing proper legal notice
 - 2) recordation of the declaration of abandonment
 - 3) posting of adequate signs
 - c. Procedures for accomplishing the provisions of [LRS 48:224](#) can be found in [Section 8.3](#) of this Manual.

4. The Property Management Unit, under the supervision of the Property Management Officer will aggressively and systematically work toward reducing the disposable property of the Department. Initiation for disposal occurs by the following methods:
 - a. Systematic review of the current computer inventory of residual property
 - b. Request from the public (subject to \$100 processing fee in accordance with Rule published in the Louisiana Register June 20, 1993, Vol. 19, No. 6)
 - i. for purchase of residual property
 - ii. for declaration of right of way or property as excess
 - c. Recommendation by District Administrator:
 - i. that property be declared excess (maintenance unit sites, etc.)
 - ii. that right of way be declared excess
 - iii. that a section of highway (portion of the state highway system) be abandoned or transferred to a local governing authority
 - d. Request from local governing authorities (City, Parish, police jury, etc.)
 - i. to transfer or use property not needed by the Department
 - ii. to exchange a section of roadway for another section of roadway
5. It is the policy of the Department to wait until one year after final acceptance of a project before disposing of residual property or excess right of way. However, this is only a policy and not a law. If it is determined that disposal prior to one year after final acceptance is to the benefit or in the best interest of the Department, this policy can and should be waived, upon approval of the Real Estate Administrator.

6. Disposable property on which the Department has only a servitude, either recorded or unrecorded, either acquired for monetary consideration or by donation, will be abandoned by the Department. No monetary return can or will be received for such abandonment, which will be accomplished in accordance with [LRS 48:224](#), and more specifically as provided for in [Section 8.2, Paragraph 6](#).
7. The Department may exchange residual property or excess right of way for property needed for the construction or maintenance of a state highway, provided the property sought to be acquired by exchange shall have a present appraised market value equal to or greater than the present appraised market value of the excess or surplus property owned by the Department which is to be exchanged.
8. Properties will be sold "as is" and subject to any liens which may exist, and without any warranty whatsoever, even for the return of the purchase price, but with full substitution and subrogation in and to all rights and actions of warranty.
9. The Department will take advantage of the Federal oversight regulations effective June 15, 1994, and will obtain approvals for disposal as follows:
 - a. Federal approval will be obtained prior to disposal of excess right of way on the NHS only, regardless of whether or not FHWA participated in the purchase of the property. Federal approval is not required for the disposal of residuals or excess property.
 - b. Environmental clearance will be obtained prior to disposal of residuals or excess right of way on Federal projects, defined as follows:
 - i. projects on the NHS
 - ii. projects in which there was Federal participation in any phase

10. Recommendations and/or approvals for disposal will be obtained from the following persons and/or sources:

a. For residual property

- i. Crescent City Connection (if property located in or near downtown New Orleans and/or the Greater New Orleans Mississippi River Bridge)
- ii. District Administrator
- iii. Road Design Engineer
- iv. Traffic & Geometric Engineer
- v. Real Estate Administrator
- vi. Environmental clearance if
 - 1) project on NHS, or
 - 2) project had Federal participation in any phase

b. For excess right of way:

- i. Crescent City Connection (if property located in or near downtown New Orleans and/or the Greater New Orleans Mississippi River Bridge)
- ii. District Administrator
- iii. Road Design Engineer
- iv. Traffic & Geometric Engineer
- v. Project Development Division Chief
- vi. Chief Engineer
- vii. Environmental clearance if
 - 1) property on NHS, or
 - 2) property on a project which had Federal participation in any phase
- viii. Federal Highway Administration if project on NHS

c. For excess property:

- i. Crescent City Connection (if property located in or near downtown New Orleans and/or the Greater New Orleans Mississippi River Bridge)
- ii. Division of Administration
- iii. District Administrator
- iv. Maintenance Division Chief
- v. Road Design Engineer

- vi. Traffic & Geometric Engineer
- vii. Chief Engineer

d. For Adversely Impacted properties:

No approvals need to be obtained before disposal of adversely impacted properties.

11. If there was Federal participation in the acquisition of the disposable property, the proceeds from the disposal must be used for transportation projects eligible for funding under 23 U.S.C.

SECTION 8.2. DISPOSAL OF RESIDUALS, EXCESS RIGHT OF WAY, AND EXCESS PROPERTY

The Property Management Unit will process disposals of property either as a part of their aggressive and systematic inventory reduction, or as a result of a particular request. After a property has been determined to be excess and the necessary approvals have been obtained, the disposal will be by private sale or public bid. The Louisiana Constitution prohibits donation of anything of value by the Department. Properties on which the Department has only a servitude cannot be sold, but will be abandoned if determined to be excess.

PROCEDURES:

1. Processing Requests

- a. Requests for disposal of DOTD property originate from the following:
 - i. The public (requires the following action):
 - 1) Respond with the request package letter - [Form 515](#)
 - 2) when package is received from requester, acknowledge receipt – [Form 546](#), and send \$100.00 processing fee check to accounting – [Form 597](#)
 - ii. District Administrator (or other DOTD official)
 - iii. Local governing authority (City, Parish, police jury, etc.)
- b. Requests for disposal will involve one of the following types of property:
 - i. Property within existing right of way which must be retained as right of way, but which may qualify for Joint Use Agreement. Requests of this type will be forwarded to the Utilities and Permits Section, and require no further action by the Property Management Unit.

- ii. Residual property ([Uneconomic Remainder/UR Parcel](#)) defined as the remainder of an owner's property purchased in addition to the required right of way due to the remainder being uneconomic if kept by the owner.
- iii. Excess right of way defined as property acquired or used by the Department as right of way, and later declared excess (not needed for the project or road).
- iv. Excess property defined as real estate owned by the Department, excluding properties purchased as required right of way, and no longer needed for the purpose for which it was purchased (such as maintenance units, radio tower sites, etc.).
- v. Adversely impacted improvements, with or without associated land.

b. If the requested property may be disposable, proceed as follows:

- i. Check all Property Management files for an existing file on the property. If no file is found, make a file, assign a file number and enter on computer.
- ii. Make sure you have a copy of acquisition voucher, review sheet and original appraisal, if possible, along with Deed of Acquisition and maps.
- iii. Check for final acceptance date on TOPS screen, making sure project has had final acceptance for at least one year.

2. Obtaining Approvals

a. Process to obtain the following internal recommendations and/or approvals which are required for disposal:

- i. Approval from the Crescent City Connection if the property is located in or near downtown New Orleans or the Greater New Orleans Mississippi River Bridge.
- ii. Recommendation from District Administrator (unless request originated from District

Administrator) - [Form 591](#) for residual or [Form 591A](#) for excess right of way or excess property.

- iii. For residual property, recommendations from Road Design Engineer and Traffic & Geometric Design Engineer - [Form 592](#), with approval from the Real Estate Administrator.
- iv. For excess right of way or excess property, recommendations from Road Design Engineer, Traffic & Geometric Engineer, and Project Development Division Chief - [Form 547](#), with approval from the Chief Engineer.
- v. Approval from the Commissioner of the Division of Administration for excess property only (i.e. maintenance units, office sites, etc.) – [Form 550](#). (Note: See list of such properties in Property Management Officer's Files.)
- vi. For Adversely Impacted properties, no approvals are needed prior to disposal.

b. If the above approvals are not obtained, go on to [Paragraph 2.e.](#) below.

c. If the above approvals are obtained and the property is not owned in full ownership (Department has only a servitude), go on to [Paragraph 6](#) below.

d. If the above approvals are obtained, and the property is owned in full ownership, proceed as follows:

- i. Determine if someone qualifies for private sale, as follows:
 - 1) the original vendor, his successors, heirs or assigns, as verified from acquisition documents; or
 - 2) the property owner separated from a highway by the disposable property, as verified by deed of acquisition and last year's tax assessment.
- ii. Consideration will be given to combining adjacent properties to sell as one tract so as to get a higher return. In some cases, combining 2

adjacent properties into one tract for disposal can prevent the creation of a landlocked situation.

iii. Request an Appraisal or Value Estimate from the Appraisal Division, as follows:

- 1) Appraisal - [Form 590](#) if the property will be sold at private sale
- 2) Value Estimate - [Form 593](#) if the property will be put up for public bids. (If the property is estimated to be worth more than \$10,000, an appraisal will be prepared in accordance with instructions in the request [Form 593](#).)

iv. Submit to Environmental Section requesting environmental clearance - [Form 587](#), if the disposable property is residual property or excess right of way, and if it is:

- 1) on a project on the NHS, or
- 2) on a project in which there was Federal participation in any phase (check PMX2 screen, 200 and 300 work categories)

NOTE: Excess property does not need environmental clearance from the Environmental Section; however, we will do environmental criteria screening, with photographs, to determine the existence of hazardous materials and/or potential contamination. If contamination is found, cleanup measures will be taken prior to disposal.

v. Submit to Federal Highway Administration, along with color coded maps - [Form 589](#), if the disposable property is excess right of way (NOT RESIDUALS), and if it is on the NHS.

NOTE: IF PRIORITY OR RUSH send to FHWA and environmental section at the same time. Otherwise, wait for environmental clearance before submitting to FHWA. Also, include in the upper right hand corner of the request the word "PRIORITY" typed and highlighted.

e. If the internal recommendation is to retain the property, or environmental clearance or FHWA approval is not obtained, proceed as follows:

- i. Advise requester
 - ii. Update computer, change status accordingly
 - iii. Close file, returning it to the Central File Room.
- f. If disposal is approved by all necessary sources as outlined above, proceed to [Paragraph 3](#) below if disposal will be by private sale, or to [Paragraph 4](#) below if disposal will be by public bid.

3. Disposal by Private Sale

- a. There should already be an appraisal of the property or a value estimate (previously ordered in [Paragraph 2.d.iii.](#) above). If not, request appraisal or value estimate.
- b. After purchase price is established (see [Section 8.1, Paragraph 2](#)), make offer for private sale - [Form 520](#). If no response or offer is refused, go on to [Paragraph 4](#) below. If offer is accepted proceed as follows:
 - i. When money is received from Purchaser, send money to Accounting - [Form 597](#)
 - ii. Prepare Sale - [Form 525](#) and process as follows:
 - 1) Witness Sale
 - 2) Send to Real Estate Administrator for signature
 - 3) Have Sale notarized by Department notary
 - iii. Send original Sale and 2 copies (signed and notarized) to Purchaser for execution and recording - [Form 521](#).
 - iv. When fully executed Sale and recordation data is received:
 - 1) send 1 copy with recordation data to District Administrator, with copy of letter only (no copy of sale) to Real Estate District Manager
 - 2) update computer
 - 3) purge file
 - 4) return file to Central File Room under Sold Files

- c. If property sold was excess property, send copy of Act of Sale to the Division of Administration, Attn: State Land Office – [Form 509](#).
- d. If property sold had buildings or other improvements, complete a Building Data Change Form and send to the Office of Risk Management, so they can cancel insurance.

4. Disposal by Public Bid

- a. Begin preparations to advertise for sale by Public Bid by completing the following steps:
 - i. There should already be an appraisal of the property or a value estimate (previously ordered in [Paragraph 2.d.iii](#), above.) If not, request appraisal or value estimate.
 - ii. Determine if a minimum bid will be required to bid on the property, by looking at the following facts:
 - 1) Is this the first time the property is being put up for bids?
 - 2) Has there been any interest shown in the property?
 - 3) What is the amount of appraised value or the value estimate amount?
 - 4) Does someone qualify for private sale?
 - iii. If a minimum bid will be placed on the property, it will generally be 75% of appraised value or the amount of the value estimate.
 - iv. Make every effort to obtain legible right of way maps as well as copy of parish, city and/or town maps pinpointing the relative location of the property, to be included in the bid booklet. (Atlas computer program is a good source of maps.)
- b. Public Sale of Adversely Impacted Properties
 - i. In order to avoid extended vacancies in such improvements which can lead to vandalism, disposal procedures for AI improvements will be undertaken as soon as possible. The Adversely Impacted form will indicate the method of disposal.
 - ii. If the property is to be offered for sale by public bid, the form will indicate if the owner agrees to

allow the Department to show the property before their 90-Day Vacate Date expires. If they do, the property may be put up for bid immediately. If they do not, the property will be put up for bid as soon as the Vacate Date expires.

- iii. Lease agreements on Adversely Impacted properties shall include a statement that the occupant agrees to allow the Department to show the property to interested persons.
- iv. The sale date shall be no earlier than 15 days from the date the lease is terminated. As specified in the lease, notification of the termination of the lease shall be given by either party by written notice thereof at least ten (10) days prior to the end of the any thirty (30) day rental term.

- c. Proceed with bid process in accordance with [Public Bid Procedures](#).
- d. Send speed memo to the Real Estate District Manager requesting that "FOR SALE" signs be placed on the property and that you be advised in writing when the signs are placed.
- e. When bids are received, review to determine recommendation for acceptance or rejection, and send recommendation to Real Estate Administrator - [Form 545](#).
 - i. If acceptance approved:
 - 1) send [Form 553](#) requesting balance due
 - 2) when money is received, complete applicable steps found in [Paragraph 3.b,c,d.](#) above
 - ii. If bids are rejected or if no bids are received, update computer
 - 1) file in Central File Room
 - 2) re-advertise in 6 months - 1 year

5. Disposal to Governing Authorities

- a. Governing authorities are generally categorized as either public entities (City, Parish, police jury, etc.) or state agencies.
- b. Article 7 of the Louisiana Constitution prohibits donation of anything of value.
- c. Requests from public entities to use property owned by the Department in full ownership, can only be processed as follows:
 - i. Request an appraisal of the property for both fair market rental and fair market value
 - ii. Sell the property to the public entity at fair market value if they qualify for private sale (see [Section 8.1, Paragraph 2](#)).
 - iii. Lease the property to the public entity at the fair market rental rate until such time as they obtain an Act of the Legislature authorizing the Department to sell to them at private sale for fair market value.
- d. Requests from state agencies to use property owned by the Department in full ownership, can be processed as follows:
 - i. Enter into an interim Cooperative Endeavor Agreement (get advice from Legal Division in preparation).
 - ii. Get approval from the Division of Administration.
 - iii. Obtain an Act of the Legislature authorizing the transfer (donation) of the property.
- e. Requests from local governing authorities to use property on which the Department has only a servitude can only be handled in accordance with [Section 8.3](#).

6. Disposal of Servitudes

- a. Disposable property (other than sections of the state highway system) on which the Department has only a servitude, whether recorded or unrecorded, and whether

acquired for monetary consideration or by donation, cannot be sold or transferred to another public entity, and will be processed as follows:

- i. prepare a Declaration of Abandonment - [Form 516A](#)
- ii. make mention in the Declaration of Abandonment of the acquisition information, if available and/or applicable
- iii. record with the Clerk of Court for the Parish where the property is located - [Form 544](#) and [Form 544A](#)
- iv. Send a copy of the Declaration of Abandonment with recordation data to the District Administrator, to Project Control, and to the Planning Division.

NOTE: Generally the Department will abandon all servitudes (construction, drainage, right of way, control of access) for no monetary consideration. However, FHWA says we must charge money for the relinquishment of these rights. Therefore, in some circumstances, at the discretion of the Real Estate Administrator, we will appraise the rights being relinquished and charge the person who will benefit by such relinquishment. Examples of such circumstances are relinquishment of control of access, or large amount of money paid by the Department for a drainage servitude which was never used or is being abandoned.

If there are utilities located on the right of way, advise the District Administrator in writing that since it was only a servitude, we cannot stipulate *any* conditions in a declaration of abandonment. The District Administrator must advise whether to abandon or retain under those circumstances.

SECTION 8.3. ABANDONMENTS, TRANSFERS, AND EXCHANGES

Situations often arise where it is in the best interest of the Department and the public to abandon a portion of a roadway, or to transfer a portion of a roadway to, or exchange with, a local governing authority. Realignment of state highways sometimes creates situations where a portion of the old roadway will be transferred to and maintained by a local governing authority. Abandonments, transfers, and exchanges will be accomplished in accordance with [LRS 48:224 and EDSM I.1.1.19](#).

PROCEDURES:

1. When a section of the state highway system is to be abandoned, transferred to, or exchanged with a local governing authority (usually notified by District Administrator, the Planning Division, or by a Form 1104), proceed as follows:
 - a. Request District Administrator to furnish names, addresses, and contact persons for the following ([Form 549](#)):
 - i. local governing authority(s)
 - ii. each member of the legislature in whose district the highway section is located
 - iii. all public utilities with recorded right of way agreements or permits and/or
 - iv. recorded holders of right of way permits (other than driveway permits) affected by the abandonment
 - b. Process for approvals as follows:
 - i. If request for abandonment or exchange originated from the District Administrator or other DOTD official, and a Form 1104 has not been prepared, process for internal recommendations

and/or approvals as provided for in [Section 8.2, Paragraph 2.a.](#) above, environmental clearance as provided in [Section 8.2, Paragraph 2.d.iv.](#) above, and FHWA approval as provided for in [Section 8.2, Paragraph 2.d.v.](#) above. (For purposes of following the above steps, sections of highways to be abandoned or exchanged will be considered excess right of way.)

- ii. If an 1104 has been prepared, and/or the Secretary has accepted a resolution from a local governing authority, no other approvals are required.

- c. After approvals are received, send notifications as required by [LRS 48:224](#) to ([Form 548](#)):

- i. persons or entities obtained in [Paragraph 1.a.](#) above from the District Administrator
- ii. each member of the Legislature in whose district the highway section is located

- 2. If the local governing authority is willing to accept and maintain the highway section

- a. Verify that the local governing authority has passed a resolution accepting the highway and that the Secretary has accepted the resolution on behalf of the Department
- b. Prepare [Form 540](#), Transfer and Acceptance, whether the highway is owned in full ownership or the Department has only a servitude
- c. Have approved by the Chief Engineer
- d. Have executed and notarized by Department
- e. Send to governing authority for execution and recordation – [Form 532](#)
- f. Send copy of document with recordation data to:

- i. District Administrator
- ii. Project Control (if no 1104)
- iii. Road Design Section
- iv. Planning Division
- v. Traffic & Geometric Design Section

3. If the local governing authority is unwilling to accept and maintain the highway section and the Department owns the property in full ownership:

a. If the roadway can and will be obliterated:

- i. proceed with proper legal notice and notify District Administrator to post signs in accordance with [EDSM I.1.1.10](#)
- ii. prepare and process Declaration of Abandonment - [Form 516](#), and have document recorded
- iii. Send copy of document with recordation data to parties listed in [Paragraph 2.f.](#) above.

b. If the roadway cannot be obliterated because it is serving members of the public, direction will be requested from the Chief Engineer and the General Counsel.

NOTE: Abandonment of a roadway where the Department owns full ownership will possibly never occur, but is included herein due to [LRS 48:224](#), paragraph C which provides for abandonment of property which cannot be sold at public or private sale.

4. If the local governing authority is unwilling to accept and maintain the highway section and the Department does not own the roadway in full ownership (servitude only):

a. Whether or not the road is to be obliterated, proceed as follows:

- i. proceed with proper legal notice and notify District Administrator to post signs in accordance with [EDSM I.1.1.10](#)

- ii. prepare and process Declaration of Abandonment - [Form 516](#) and have document recorded.

- iii. Send copy of document with recordation data to parties listed in Paragraph 2.f. above.

NOTE: it is not necessary to barricade the road or to remove the surfacing because the Department owned only servitude. However, signs indicating no state maintenance or responsibility should be posted.

5. In the case of an exchange between the Department and a local governing authority, the willingness of the governing authority is not an issue. The Property Management Unit should proceed as follows:

- a. Check to make sure there is a Resolution from the governing authority authorizing the exchange and that the Planning Division or other Section of DOTD has provided the documentation, maps, and necessary details to proceed.

- b. Make sure that the Secretary of DOTD has accepted in writing on behalf of the Department and the State of Louisiana, the Resolution from the governing authority proposing the exchange.

- c. Prepare a Transfer and Exchange – [Form 531](#), have document approved by the Chief Engineer, executed by the Real Estate Administrator, notarized, and then sent to the governing authority for execution and recordation – [Form 532](#).

- d. Send copy of document with recordation data to parties listed in [Paragraph 2.f.](#) above.

SECTION 8.4.

MISCELLANEOUS

The Property Management Unit is responsible for related processes not directly connected to inventory and disposal of excess properties. These related processes include handling land leases, mineral leases, certain improvements, and Special Use Permits.

1. LAND LEASES

- a. Land leases are entered into by the Department only under unusual circumstances. Public bid is required for all leases. Processing land for lease through public bid will be accomplished as follows:
 - i. Process for internal recommendations and/or approvals as provided for in [Section 8.2, Paragraph 2.a.](#), and FHWA approval and environmental clearance as provided for in [Section 8.2, Paragraph 2.d.iv. and v.](#) (For purposes of following the above steps, land leases will be considered excess right of way.)
 - ii. Order appraisal, if necessary - [Form 590](#) (change to request value of lease instead of value of land).
 - iii. Prepare for public bid by following bid procedure found in [Public Bid Procedures](#)
 - iv. When bids are received, follow steps in [Section 8.2, Paragraph 4.d.](#), except prepare Lease Agreement - [Form 501](#) (Lease Agreements are generally not recorded).
 - v. Send copy of fully executed Lease to District Administrator and to Real Estate District Manager.
 - vi. Update computer
 - vii. File in Central Files under Lease Files
- b. Processing Land/Improvement lease check:
 - i. When check is received:
 - 1) pull file and verify payment is current and in the correct amount
 - 2) transmit to Accounting - [Form 530](#)
 - 3) make copy of letter and check for file

- 4) update computer
- 5) When copy of letter comes back initialed from Accounting, discard file copy and replace with the copy initialed by Accounting

c. Renewing leases

- i. If a lease is for no monetary consideration and is renewable by mutual consent, follow steps mentioned in [Paragraph 1.a.i.](#) above, to obtain required recommendations for renewal. If approved, a letter stating that both parties are in agreement on a renewal of lease is all that is needed in the file.
- ii. If a month-to-month lease is terminated by either party, for any reason, the property must be re-advertised for public bid, unless needed by DOTD, in which case status will be changed on the computer accordingly.
- iii. Reports should be ordered regularly to assure all lease payments are up to date. Delinquent accounts shall be notified by certified mail.

2. MINERAL LEASES

- a. When a request is received from the public (generally an Oil Company) for information concerning a possible mineral lease of property belonging to the Department, proceed as follows:
 - i. Questions regarding the Department's rights (full ownership or servitude) to the property in which they are interested should be answered as follows:
 - 1) Tell them to check the courthouse or General Files for the information
 - 2) If nothing is available at the courthouse or from General Files, they may use our map and deed microfilm machines to attempt to look up the information themselves
 - ii. If they are interested in having the mineral rights to a piece of property put up for public bids, advise them to submit the following:

- 1) \$400.00 non-refundable check (in the form of bank money order, certified check or cashier's check) made payable to the Louisiana Department of Transportation and Development
- 2) Cover letter explaining their request and copy of Deed of Acquisition by the Department to the property in which they are interested
- 3) A hard copy plat map showing the property and a legal description of the property; a diskette containing a discreet dxf.file and a discreet word.doc file.

b. Upon receipt of an application and processing fee, the Property Management Agent will proceed as follows:

- i. Prepare [Form 534](#) and [534A](#) to have the check endorsed by DOTD Financial Services Administrator.
- ii. Prepare [Form 535](#) and send to the Real Estate Administrator for his signature, together with the endorsed check and copies of the map and property description.
- iii. Forward letter ([Form 535](#)) to the Department of Natural Resources with three (3) sets of the map and description. Retain a copy of the letter, description and map in the application file until notification from Natural Resources of an award or rejection of bid.

c. Rejections of bids are handled by the Department of Natural Resources.

d. When the Department of Natural Resources sends an award letter along with cash payment from the Company that was the successful bidder, proceed as follows:

- i. Pull the corresponding application file, and prepare a new lease folder in accordance with the State Agency Lease No., the State Agency Tract No., and the Parish. (The original applicant's name

- may differ from the name of the company that was the successful bidder.)
- ii. Examine the Deed(s) of Acquisition furnished by the company and determine if there was FHWA participation in the acquisition of the property covered by the lease. (If the company failed to furnish the Deed(s) of Acquisition at the time of application, contact the company and explain that the Deed(s) must be furnished.)
 - iii. Prepare [Form 536](#) to send check to Accounting. (See [Paragraph 2.f.](#) below.)
- e. During the life of the lease there are 2 kinds of payments which can be made:
- i. Delay rental (see page 1 of any Mineral Lease document) - company can use this payment in order to keep their options on the lease open. Send these payments to Accounting using [Form 536A](#). (See [Paragraph 2.f.](#) below.)
 - ii. Royalty payment for proceeds from the well. Send these payments to Accounting using [Form 539](#). (See [Paragraph 2.f.](#) below.)
- f. If there was Federal participation, when preparing the [Form 536](#), [536A](#), or [539](#), always advise Accounting of the project number under which the property was acquired, and specify to them that the money is to be deposited into Fund 03 - Capital Outlay.
- g. Post necessary mineral lease information on the computer.

3. HANDLING OF IMPROVEMENTS IN CERTAIN CIRCUMSTANCES

- a. Disposal Of Improvement On UR Parcel
- i. Proceed with bid process in accordance with [Public Bid Procedure](#)

- 1) The type of disposition is to be determined by the Real Estate District Manager.
- 2) Amount of Performance Guaranty is set at \$1.00 per square foot.

b. Insuring DOTD Office Buildings

- ii. When the Department acquires a new building to house a DOTD office, it is necessary to have it insured and added to the Department's Exposure Report as follows:

- 1) Fill out the Office of Risk Management [Building Data Change Form](#) and mail to the Office of Risk Management (address on form). Send a copy to the Safety Operations and Information Section.
- 2) Advise the Division of Administration, State Land Office of the acquisition – [Form 509](#), attaching a copy of the deed of acquisition, with recordation information, a copy of the floor plan, and a copy of a plat showing the area on which the building is located.

NOTE: These buildings will have insurance coverage when purchased for both the building and contents; however, when the Office of Risk Management receives the information from us, they re-appraise the property and add it to the Department's exposure list.

4. SPECIAL USE PERMITS

- a. Special Use Permits give the Department the right to enter upon property belonging to the United States Forestry Service for highway purposes. Occasionally, these Special Use Permits and amendments are received in Real Estate for processing by the Property Management Unit.
- b. Upon receipt of a Special Use Permit, the Property Management Unit will:

- i. Witness the Real Estate Administrator's signature
- ii. Route through normal channels for the Administrator's signature
- iii. File as follows:
 - 1) Make a file if it is an initial Special Use Permit
 - 2) File in the existing file if it is an amendment to an existing Special Use Permit
 - 3) File in the Special Use Permits Section of the Central File Unit.